



[BILLING CODE: 6750-01S]

FEDERAL TRADE COMMISSION

[File No. 131 0199]

CoreLogic, Inc.; Analysis of Agreement Containing Consent Order to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair methods of competition. The attached Analysis of Agreement Containing Consent Order to Aid Public Comment describes both the allegations in the draft complaint and the terms of the consent orders -- embodied in the consent agreement -- that would settle these allegations.

DATES: Comments must be received on or before April 23, 2014.

ADDRESSES: Interested parties may file comments at

<https://ftcpublic.commentworks.com/ftc/corelogicconsent>

online or on paper, by following the instructions in the Request for Comments part of the

SUPPLEMENTARY INFORMATION section below. Write “CoreLogic, Inc., Consent Agreement; File No. 131-0199” on your comment and file your comment online at

<https://ftcpublic.commentworks.com/ftc/corelogicconsenthttps://ftcpublic.commentworks.com/ftc/fidelitynationalconsent>

by following the instructions on the web-based form. If you prefer to file your comment on

paper, mail or deliver your comments to the following address: Federal Trade Commission,

Office of the Secretary, Room H-113 (Annex D), 600 Pennsylvania Avenue, NW, Washington,

DC 20580.

FOR FURTHER INFORMATION CONTACT: Cathlin Tully, Bureau of Competition, (202-326-3644), 600 Pennsylvania Avenue, NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and FTC Rule 2.34, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, having been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for March 24, 2014), on the World Wide Web, at <http://www.ftc.gov/os/actions.shtm>. A paper copy can be obtained from the FTC Public Reference Room, Room 130-H, 600 Pennsylvania Avenue, NW, Washington, D.C. 20580, either in person or by calling (202) 326-2222.

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before April 23, 2014. Write “CoreLogic, Inc., Consent Agreement; File No. 131-0199” on your comment. Your comment - including your name and your state - will be placed on the public record of this proceeding, including, to the extent practicable, on the public Commission Website, at <http://www.ftc.gov/os/publiccomments.shtm>.

As a matter of discretion, the Commission tries to remove individuals’ home contact information from comments before placing them on the Commission Website.

Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, like anyone’s Social

Security number, date of birth, driver's license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, like medical records or other individually identifiable health information. In addition, do not include any "[t]rade secret or any commercial or financial information which . . . is privileged or confidential," as discussed in Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2). In particular, do not include competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

If you want the Commission to give your comment confidential treatment, you must file it in paper form, with a request for confidential treatment, and you have to follow the procedure explained in FTC Rule 4.9(c), 16 CFR 4.9(c).¹ Your comment will be kept confidential only if the FTC General Counsel, in his or her sole discretion, grants your request in accordance with the law and the public interest.

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we encourage you to submit your comment online. To make sure that the Commission considers your online comment, you must file it at <https://ftcpublic.commentworks.com/ftc/corelogicconsent> by following the instructions on the web-based forms. If this Notice appears at <http://www.regulations.gov/#!home>, you also may file a comment through that website.

¹ In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c), 16 CFR 4.9(c).

If you file your comment on paper, write “CoreLogic, Inc., Consent Agreement; File No. 131-0199” on your comment and on the envelope, and mail or deliver it to the following address: Federal Trade Commission, Office of the Secretary, Room H-113 (Annex D), 600 Pennsylvania Avenue, NW, Washington, DC 20580. If possible, submit your paper comment to the Commission by courier or overnight service.

Visit the Commission Website at <http://www.ftc.gov> to read this Notice and the news release describing it. The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before April 23, 2014. You can find more information, including routine uses permitted by the Privacy Act, in the Commission’s privacy policy, at <http://www.ftc.gov/ftc/privacy.htm>.

Analysis of Agreement Containing Consent Order to Aid Public Comment

INTRODUCTION

The Federal Trade Commission (“Commission”) has accepted from CoreLogic, Inc. (“CoreLogic”), subject to final approval, an Agreement Containing Consent Order (“Consent Agreement”) designed to remedy the anticompetitive effects resulting from CoreLogic’s proposed acquisition of certain assets and other interests from TPG VI Ontario 1 AIV L.P. (“TPG”). Under the terms of the Decision and Order (“Order”) contained in the Consent Agreement, CoreLogic must grant Renwood RealtyTrac LLC (“RealtyTrac”) a license for national assessor and recorder bulk data that will restore to the market a third competitor that will act independently of CoreLogic.

The Consent Agreement has been placed on the public record for 30 days to solicit comments from interested persons. Comments received during this period will become part of

the public record. After 30 days, the Commission will again review the Consent Agreement and the comments received, and will decide whether it should withdraw from the Consent Agreement, modify it, or make the Order final.

Pursuant to a Purchase and Sale Agreement dated June 30, 2013, CoreLogic proposes to acquire certain assets and other interests from TPG, including its DataQuick Information Systems, Inc. (“DataQuick”) national real property public records bulk data business, for \$661 million (the “acquisition”). The Commission’s Complaint alleges that the acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, by substantially lessening competition in the market for national assessor and recorder bulk data.

THE PARTIES

CoreLogic, a publicly-traded company headquartered in Irvine, California, provides real property information, analytics, and services through a host of products tailored to the needs of customers in the lending, investment, and real estate industries. As part of its Data and Analytics segment, CoreLogic collects, maintains, and offers licenses for national assessor and recorder bulk data.

Among its various assets and interests, TPG wholly owns Decision Insight Information Group, which owns DataQuick. DataQuick provides real property information, analytics, and services to the real estate, mortgage lending, and secondary investor markets in the United States. As part of its business, DataQuick offers licenses for national assessor and recorder bulk data.

THE RELEVANT MARKET

The relevant product market in which to analyze the effects of the acquisition is the

market for national assessor and recorder bulk data. National assessor and recorder bulk data consist of aggregated current and historical assessor and recorder data in bulk format for the vast majority of properties across the United States. National assessor and recorder bulk data offer data for all properties in covered jurisdictions in a standardized form.

Assessor and recorder data provide information regarding ownership, status, and value of properties. Assessor data consist of public record information concerning characteristics of individual real property parcels, including, but not limited to, square footage, number of bedrooms and bathrooms, sales information, history, and assessed value. Assessor data are often referred to as tax assessor or tax roll data. Recorder data consist of public record information abstracted from transactions related to real property, including, but not limited to, deeds, mortgages, liens, assignments, and foreclosures, the parties to the transaction, transfer tax, and purchase price. Assessor and recorder data and information are available from local (county or county-equivalent) government offices.

Customers integrate national assessor and recorder bulk data into proprietary programs and systems for internal analyses or to create value-added products using the data, such as risk and fraud management tools, valuation models, and consumer-oriented property websites. National assessor and recorder bulk data customers cannot use regional assessor and recorder bulk data to create reliable internal analyses or value-added products. Regional bulk data providers offer data for certain limited geographic areas in the United States. National bulk data customers could not combine the data offered by regional firms to meet their needs because it would not provide the required geographic scope.

The relevant geographic market in which to assess the competitive effects of the acquisition is the world. The relevant product is provided through electronic file transfer

technology and can be supplied from anywhere in the world, notwithstanding the more limited geographic scope of the product itself.

THE STRUCTURE OF THE MARKET

The acquisition would significantly increase concentration in an already highly concentrated market for national assessor and recorder bulk data. CoreLogic and DataQuick are two of the three firms that offer national assessor and recorder bulk data. Black Knight Financial Services, Inc. (formerly Lender Processing Services, Inc.) (“Black Knight”) is the only other competitor. DataQuick obtained historical data through a prior acquisition and since 2004 has obtained on-going national assessor and recorder bulk data primarily through a license with CoreLogic. The license allows DataQuick to re-license the data in bulk and act independently of CoreLogic. DataQuick aggressively competes head-to-head against CoreLogic and Black Knight to furnish national assessor and recorder bulk data to customers, offering lower prices and less restrictive license terms than its competitors.

ENTRY CONDITIONS

Without the Consent Agreement, entry or expansion into the market for national assessor and recorder bulk data would not occur in a timely, likely, or sufficient manner to deter or negate the anticompetitive effects of the acquisition. In order to compete effectively in the market for national assessor and recorder bulk data, a firm typically must have several years of national historical data and an ability to provide go-forward national data. It would be cost-prohibitive for a potential entrant to collect the necessary historical and go-forward data.

Firms currently offering assessor and recorder bulk data on a regional basis would not expand their historical and on-going offerings in a timely manner to provide national assessor and recorder bulk data. Regional firms could not combine their offerings to provide national

assessor and recorder bulk data customers with the necessary geographic scope of data they require, nor is it likely that a firm combining the offerings of all of the regional firms could expand to offer national coverage in a timely enough manner to constrain any exercise of market power.

Finally, a potential entrant without its own historical data would not be able to enter the market for national assessor and recorder bulk data by obtaining a license from CoreLogic or Black Knight. Neither CoreLogic nor Black Knight has any incentive to offer such a license to a potential entrant that will compete against them. DataQuick has been able to obtain a license because it is unlike any other potential licensee; it owns historical data and could credibly threaten to enter the market for national assessor and recorder bulk data without a license.

EFFECTS OF THE ACQUISITION

The acquisition may substantially lessen competition in the market for national assessor and recorder bulk data. The acquisition will eliminate actual, direct, and substantial competition between CoreLogic and DataQuick. Further, the acquisition may increase the likelihood and degree of coordination between CoreLogic and the only other remaining competitor, Black Knight, and the likelihood that CoreLogic will exercise market power unilaterally post-acquisition.

THE DECISION AND ORDER

The Order resolves the competitive concerns raised by the acquisition by restoring to the market a third competitor. The Order requires CoreLogic to grant RealtyTrac a license that allows it to replicate DataQuick's data offerings and competitive position. The Order does this by requiring CoreLogic to provide RealtyTrac with the data, information, support, and access to customers it needs to enter successfully and compete in the market for national assessor and

recorder bulk data. RealtyTrac has the relevant industry experience, reputation, and resources to enter the relevant market successfully under the terms of the Order. RealtyTrac operates an online marketplace of foreclosure real property listings and provides national foreclosure data and services to real estate consumers, investors, and professionals. As part of its business, RealtyTrac collects, maintains, and offers licenses for foreclosure data for properties throughout the United States.

The license required by the Order allows RealtyTrac to step into the shoes of DataQuick as CoreLogic's licensee. The Order requires that CoreLogic grant a license to RealtyTrac for national assessor and recorder bulk data of the "same scope and quality" as DataQuick provides its customers today. The Order requires that the license include both current and historical data and several ancillary derived data sets that DataQuick provides. The Order requires that CoreLogic offer the license to RealtyTrac for no less than 5 years, and provides that a Monitor appointed by the Commission may, if needed, extend the license for two additional one-year terms. The Commission must either approve, or waive its right to approve, any proposed modification to the license.

The license terms and post-termination rights are substantially similar to those in DataQuick's license with CoreLogic, putting RealtyTrac in the same competitive position relative to CoreLogic as DataQuick is today. The license allows RealtyTrac to offer customers not only the data, but also the services, that CoreLogic and DataQuick offer to customers. Further, the license permits RealtyTrac to re-license the data in bulk and positions RealtyTrac to remain in the relevant market following the license's termination.

The Order includes additional provisions that provide RealtyTrac with the information and support it needs to begin offering bulk data licenses to customers as seamlessly and quickly

as possible following Commission approval. The Order requires CoreLogic to provide RealtyTrac with access to information regarding customers and data management, including the information necessary to provide data to customers in the same manner as DataQuick. Moreover, the Order requires that CoreLogic provide RealtyTrac with access to technical support for 18 months to assist its management and provision of the data. Lastly, the Order helps RealtyTrac, at its option, hire and retain former DataQuick employees by requiring CoreLogic to waive certain non-compete and non-disclosure agreements during the first year and prohibiting CoreLogic from attempting to hire DataQuick employees away from RealtyTrac for two years.

The Order also requires CoreLogic to provide certain DataQuick customers with the opportunity to terminate their contracts early and switch to RealtyTrac. These early termination provisions will give RealtyTrac more customers to compete for and will ensure that all DataQuick customers will be able to take advantage of RealtyTrac's entry during the first three years RealtyTrac is in the market. CoreLogic is required to permit these customers to terminate their agreements only in order to switch to RealtyTrac. Further, CoreLogic can require the customers to provide 180-days' notice of termination, although the Order requires CoreLogic to allow a customer to revoke or postpone the effective date of its termination notice at any time. CoreLogic must provide written notice to each customer who can terminate an existing contract under the Order and is prohibited from imposing penalties on or retaliating against customers that exercise their early termination rights.

There are three groups of customers that CoreLogic must allow to terminate their license agreements with 180-days' notice in order to switch to RealtyTrac. The first are DataQuick customers who renewed a DataQuick contract or switched to CoreLogic between July 1, 2013,

and the acquisition date. The second are DataQuick customers who enter into or renew their licenses during the first nine months following the acquisition. The final group of DataQuick customers includes those who, prior to the acquisition, executed licenses with DataQuick that expire on or after March 31, 2017. The Order permits these customers to switch to RealtyTrac on or after March 31, 2016.

To ensure CoreLogic's compliance with the Order, the Order provides for the appointment of a Monitor as well as a Divestiture Trustee and imposes certain compliance requirements on CoreLogic. The Order appoints Mitchell S. Pettit as Monitor to oversee CoreLogic's ongoing compliance with their obligations and responsibilities under the Order. The Order also allows the Commission to appoint a Divestiture Trustee to assign, grant, license, divest, transfer, deliver, or otherwise convey the relevant data and information. Further, CoreLogic must submit periodic compliance reports and give the Commission prior notice of certain events that might affect its compliance obligations arising from the Order. Lastly, the Order terminates after 10 years.

The purpose of this analysis is to facilitate public comment on the Consent Agreement, and it is not intended to constitute an official interpretation of the Order or to modify its terms in any way.

By direction of the Commission.

Donald S. Clark,
Secretary.

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